

MARK D. WALDRON
Chapter 11 Trustee
6711 Regents Blvd. W., Suite B
Tacoma, WA 98466
Telephone: (253) 565-5800

The Honorable Frederick P. Corbit
Chapter 11

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF WASHINGTON

In Re:)
GIGA WATT INC.)
Debtor.)

Case No. 18-03197-FPC11

CHAPTER 11 TRUSTEE'S MONTHLY
FINANCIAL REPORT FOR MAY 2019

COMES NOW Mark D. Waldron, the Court-appointed and acting Chapter 11 Trustee in the above proceeding, and files this Monthly Financial Report for the month of May 2019. Attached to this report are the Ledger Report (Exhibit 1), Operating Statement (Exhibit 2), and bank statement for May 2019 (Exhibit 3), incorporated herein by reference.

Significant developments during reporting period:

1. The Debtor had leased and operated at a facility in the City of Rock Island, Washington. It was determined that the facility would not create significant value to the Estate and its creditors. The lease had been rejected and the Trustee endeavored to vacate this approximately 40,000 square foot warehouse facility. Giga Watt had left the premises in substantial disarray. The Estate was able to move the valuable assets in containers to another location and dispose of the trash and debris. The recyclable assets were recycled and the Estate received payment for such. The warehouse is now vacant and was returned to the landlord.

2. The Estate holds an interest in a lease near the Pangborn Airport serving Douglas County, Washington. Prior to the bankruptcy, the Debtor had encroached onto



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1 adjacent land managed by the Port of Douglas County. The Port had requested that the
2 Debtor remove any and all property and/or debris from the encroachment area. The Estate
3 has completed a full site cleaning at Pangborn in the encroached area, removed all trash,
4 and moved all valuable assets onto the leased area of Pangborn. Additionally, the Estate
5 moved all viable miners located at Pangborn to the Moses Lake site.

6 3. The Estate continues to operate the Moses Lake facility. The facility contains
7 multiple buildings or "pods", not all of which have yet become operational. The staff has
8 been continuing to work on optimizing mining performance on the operational pods and
9 working toward restarting operations in the non-operational pods. As of the end of
10 May 2019, Moses Lake was roughly operating at 90% of its estimated capacity. Of primary
11 importance and focus is to fully decommission all unprofitable miners and replace the
12 same with profitable miners.

13 4. The Trustee, in concert with his legal team and consultants, has been
14 working on a more detailed analysis of TNT facility in anticipation of re-opening the facility.

15 At month end, the Debtor was not delinquent on any post-petition tax obligations.

16 For purposes of calculating the Debtor's obligations under 28 USC 1930(a)(6) to pay
17 a quarterly fee to the United States Trustee, **TOTAL DISBURSEMENTS** for the month of
18 May 2019 from all sources were **\$368,111.92**.

19 I certify under penalty of perjury that the information contained in this Monthly
20 Financial Report is complete, true, and accurate to the best of my knowledge, information
21 and belief.

22 **DATED** this 13th day of June, 2019.

23 /s/ MARK D. WALDRON
24 MARK D. WALDRON, WSBA# 9578
25 Chapter 11 Trustee for the Estate of
Giga Watt Inc.



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Ledger Report

Case Number: 18-03197-FPC11 FPC
Case Name: GIGA WATT INC.
Taxpayer ID #: 81-4797010
Period: 05/01/19 - 05/31/19

Trustee: Mr. Mark D. Waldron (670070)
Bank Name: Metropolitan Commercial Bank
Account: *****25 - Checking Account
Blanket Bond: \$0.00 (per case limit)
Separate Bond: N/A

| Trans. Date | {Ref #} / Check # | Paid To / Received From | Description of Transaction | Ledger Code | Receipts \$ | Disbursements \$ | Checking Account Balance |
|-------------|-------------------|--|--|-------------|--------------|------------------|--------------------------|
| 05/01/19 | | Eco Diversified Holdings | May 2019 rent for Pod 8 of Parcel E pods, Moses Lake | 4002-00 | 9,000.00 | | 81,545.38 |
| 05/01/19 | | MLDC I, LLC | 77% of Moses Lake revenue (through 4-25-19) | 6003-000 | | 44,161.31 | 37,384.07 |
| 05/02/19 | | Moses Lake Facility | Mining Operations | 4001-000 | 68,934.74 | | 106,318.81 |
| 05/02/19 | 132 | Waste Management of Wenatchee | Customer ID 19-19019-33003, Invoice No. 1786542-2674-9 (March 2019) | 6010-000 | | 129.71 | 106,189.10 |
| 05/08/19 | 133 | Austin Harrison | Invoice dated 5-5-19 (4-21-19 through 5-4-19) | 6007-013 | | 1,660.00 | 104,529.10 |
| 05/08/19 | 134 | Skyler Simpson | Invoice dated 5-5-19 (4-22-19 through 5-4-19) | 6007-013 | | 1,660.00 | 102,869.10 |
| 05/08/19 | 135 | Lauren Miehe | Balance due on Invoice dated 4-7-19 | 6007-013 | | 10,000.00 | 92,869.10 |
| 05/08/19 | 136 | Lauren Miehe | Reimbursement of costs (invoices dated 4-7-19 and 5-5-19) | 6007-014 | | 447.15 | 92,421.95 |
| 05/08/19 | 137 | Allen Oh | Balance of invoice dated 4-8-19 and payment of invoice dated 4-16-19 | 6007-013 | | 10,162.50 | 82,259.45 |
| 05/08/19 | 138 | Allen Oh | Reimbursement of costs through invoice dated 5-5-19 | 6007-014 | | 301.25 | 81,958.20 |
| 05/08/19 | 139 | Liberty Mutual Insurance | Acct. #002281830, Business auto insurance premium through May 2020 | 6004-000 | | 4,074.00 | 77,884.20 |
| 05/08/19 | | MLDC I, LLC | 77% of Moses Lake revenue (through 5-2-19) | 6003-000 | | 53,079.75 | 24,804.45 |
| 05/09/19 | | Moses Lake Facility | Mining operations | 4001-000 | 66,764.02 | | 91,568.47 |
| 05/14/19 | 140 | Dougs Diesel Repair, Inc. | Invoice #43701, Repairs to 2000 Ford F650 (Giga Watt, Inc.) | 6004-000 | | 997.77 | 90,570.70 |
| 05/14/19 | 141 | Mitchell, Reed & Schmitt Insurance, Inc. | Acct #17961, Policy #3AA338994, General Liability & Terrorist policy through 5-17-20 | 6004-000 | | 3,394.83 | 87,175.87 |
| 05/14/19 | | MLDC I, LLC | 77% of Moses Lake revenue (through 5-9-19) | 6003-000 | | 51,408.30 | 35,767.57 |
| 05/16/19 | | Moses Lake Facility | Mining operations | 4001-000 | 82,082.01 | | 117,849.58 |
| 05/21/19 | 142 | Lauren Miehe | Invoice dated 5/19/19 | 6007-013 | | 9,073.15 | 108,776.43 |
| Subtotals : | | | | | \$226,780.77 | \$190,549.72 | |

{ Asset reference(s) }

Ledger Report

Case Number: 18-03197-FPC11 FPC
Case Name: GIGA WATT INC.
Taxpayer ID #: 81-4797010
Period: 05/01/19 - 05/31/19

Trustee: Mr. Mark D. Waldron (670070)
Bank Name: Metropolitan Commercial Bank
Account: *****25 - Checking Account
Blanket Bond: \$0.00 (per case limit)
Separate Bond: N/A

| Trans. Date | {Ref #} / Check # | Paid To / Received From | Description of Transaction | Ledger Code | Receipts \$ | Disbursements \$ | Checking Account Balance |
|-------------|-------------------|-------------------------------|--|-------------|-------------|------------------|--------------------------|
| 05/21/19 | 143 | Allen Oh | Invoices for Weeks #9 and #10 (5/6/19 - 5/16/19) | 6007-013 | | 8,405.78 | 100,370.65 |
| 05/21/19 | 144 | Austin Harrison | Invoice dated 5/19/19 | 6007-013 | | 2,020.00 | 98,350.65 |
| 05/21/19 | 145 | Skyler Simpson | Invoice dated 5/19/19 | 6007-013 | | 1,847.50 | 96,503.15 |
| 05/21/19 | 146 | David Knowles | Invoice dated 5/19/19 | 6007-013 | | 575.00 | 95,928.15 |
| 05/21/19 | 147 | P.J. James | Invoice dated 5/19/19 | 6007-013 | | 749.25 | 95,178.90 |
| 05/21/19 | | MLDC I, LLC | True up 77% of Moses Lake revenue (through 5/9/19) | 6003-000 | | 36,186.21 | 58,992.69 |
| 05/22/19 | 148 | Cascade Equipment Sales, LLC | Invoice #2163, Trailer rental for clean-up of Rock Island facility | 6004-000 | | 6,530.00 | 52,462.69 |
| 05/22/19 | 149 | U.S. Trustee | Acct #802-18-03197, US Trustee fees for 1st Quarter 2019 Voided on 05/29/19 | 6001-000 | | 325.00 | 52,137.69 |
| 05/22/19 | | MLDC I, LLC | Partial payment of 77% of Moses Lake revenue (through 5/16/19) | 6003-000 | | 40,000.00 | 12,137.69 |
| 05/23/19 | | Moses Lake Facility | Mining operations | 4001-000 | 86,823.47 | | 98,961.16 |
| 05/29/19 | 149 | U.S. Trustee | Acct #802-18-03197, US Trustee fees for 1st Quarter 2019 Voided: check issued on 05/22/19 | 6001-000 | | -325.00 | 99,286.16 |
| 05/29/19 | 150 | U.S. Trustee | Acct #802-18-03197, US Trustee fee for 1st Quarter 2019 | 6001-000 | | 975.00 | 98,311.16 |
| 05/29/19 | 151 | Waste Management of Wenatchee | Customer ID 21-80008-43002, Invoice No. 0030933-2674-6 | 6010-000 | | 149.18 | 98,161.98 |
| 05/29/19 | 152 | Waste Management of Wenatchee | Customer ID 19-19019-33003, Invoice No. 1793494-2674-4 | 6010-000 | | 124.28 | 98,037.70 |
| 05/29/19 | | MLDC I, LLC | Balance from ML revenue thru 5-16-19, partial pymt ML revenue thru 5-23-19 | 6003-000 | | 80,000.00 | 18,037.70 |
| Subtotals: | | | | | \$86,823.47 | \$177,562.20 | |

{ Asset reference(s) }

Ledger Report

Case Number: 18-03197-FPC11 FPC
Case Name: GIGA WATT INC.
Taxpayer ID #: 81-4797010
Period: 05/01/19 - 05/31/19

Trustee: Mr. Mark D. Waldron (670070)
Bank Name: Metropolitan Commercial Bank
Account: *****25 - Checking Account
Blanket Bond: \$0.00 (per case limit)
Separate Bond: N/A

| Trans. Date | {Ref #} / Check # | Paid To / Received From | Description of Transaction | Ledger Code | Receipts \$ | Disbursements \$ | Checking Account Balance |
|-------------|-------------------|-------------------------|----------------------------|-------------|-------------|------------------|--------------------------|
| 05/30/19 | | Moses Lake Facility | Mining operations | 4001-000 | 99,026.74 | | 117,064.44 |

722,510.37 605,445.93 \$117,064.44

ACCOUNT TOTALS

TOTAL - ACCOUNT *****25

| | | | | | | | |
|---------------------|--------------|----|-----------------|--|--------------|--|--|
| Balance Forward | 72,545.38 | | | | | | |
| 1 Deposits | 9,000.00 | 21 | Checks | | 63,276.35 | | |
| 0 Interest Postings | 0.00 | 6 | Adjustments Out | | 304,835.57 | | |
| | | 0 | Transfers Out | | 0.00 | | |
| Subtotal | \$81,545.38 | | Total | | \$368,111.92 | | |
| 5 Adjustments In | 403,630.98 | | | | | | |
| 0 Transfers In | 0.00 | | | | | | |
| Total | \$485,176.36 | | | | | | |

Ledger Report

Case Number: 18-03197-FPC11 FPC
 Case Name: GIGA WATT INC.
 Taxpayer ID #: 81-4797010
 Period: 05/01/19 - 05/31/19

Trustee: Mr. Mark D. Waldron (670070)
 Bank Name: Metropolitan Commercial Bank
 Account: *****94 - Checking Account
 Blanket Bond: \$0.00 (per case limit)
 Separate Bond: N/A

| Trans. Date | {Ref #} Check # | Paid To / Received From | Description of Transaction | Ledger Code | Receipts \$ | Disbursements \$ | Checking Account Balance |
|----------------|--------------------|-------------------------|----------------------------|----------------|----------------|---------------------|-----------------------------|
|----------------|--------------------|-------------------------|----------------------------|----------------|----------------|---------------------|-----------------------------|

(No Transactions on File for this Period)

Ledger Report

Case Number: 18-03197-FPC11 FPC
Case Name: GIGA WATT INC.

Trustee: Mr. Mark D. Waldron (670070)
Bank Name: Rabobank, N.A.
Account: ****774266 - Checking Account
Blanket Bond: \$0.00 (per case limit)
Separate Bond: N/A

Taxpayer ID #: 81-4797010
Period: 05/01/19 - 05/31/19

| Trans. Date | {Ref #} / Check # | Paid To / Received From | Description of Transaction | Ledger Code | Receipts \$ | Disbursements \$ | Checking Account Balance |
|----------------|----------------------|-------------------------|----------------------------|----------------|----------------|---------------------|-----------------------------|
|----------------|----------------------|-------------------------|----------------------------|----------------|----------------|---------------------|-----------------------------|

| TOTAL - ALL ACCOUNTS | | | | | | | |
|-----------------------|--|----------------------------|---------------------------------|---------------------|---------------------|-------------------------------|--|
| | | Receipts over Case Life | Disbursements over Case Life | Account Balances | Reserve Balances | Account Bal. Less Reserves | |
| Checking # *****25 | | 722,510.37 | 605,445.93 | 117,064.44 | 0.00 | 117,064.44 | |
| Checking # *****94 | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| Checking # ****774266 | | 952.84 | 952.84 | 0.00 | 0.00 | 0.00 | |
| | | \$723,463.21 | \$606,398.77 | \$117,064.44 | \$0.00 | \$117,064.44 | |

TOTAL - CASE

| | | | | | | | |
|---------------------|--------------|----|-------------------|--------------|--|--|--|
| Balance Forward | 72,545.38 | | | | | | |
| 1 Deposits | 9,000.00 | 21 | Checks | 63,276.35 | | | |
| 0 Interest Postings | 0.00 | 6 | Adjustments Out | 304,835.57 | | | |
| | | 0 | Transfers Out | 0.00 | | | |
| Subtotal | \$81,545.38 | | Total | \$368,111.92 | | | |
| 5 Adjustments In | 403,630.98 | | | | | | |
| 0 Transfers In | 0.00 | | | | | | |
| Total | \$485,176.36 | | Net Total Balance | \$117,064.44 | | | |

Operating Statement

Period: 05/01/19 - 05/31/19

EXHIBIT 2

| | | |
|--|-------------|---------------------|
| <u>Income</u> | | |
| 4001-000 Revenue from Operating Business | | \$403,630.98 |
| 4002-00 Rents | | \$9,000.00 |
| Total Income | | \$412,630.98 |
| <u>Expenses</u> | | |
| 6001-000 US Trustee Fees | | \$975.00 |
| 6003-000 Admin. Rent | | \$304,835.57 |
| 6004-000 Costs to Secure/Maintain Property | | \$14,996.60 |
| 6007-000 Professional Fees & Expenses | | |
| 6007-013 Consultant for Trustee Fees | \$46,153.18 | |
| 6007-014 Consultant for Trustee Expenses | \$748.40 | |
| | | \$46,901.58 |
| 6010-000 Other Expenses | | \$403.17 |
| Total Expenses | | \$368,111.92 |
| Net Income | | \$44,519.06 |

Period Covered:
May 01, 2019 - May 31, 2019
Page 1 of 11

Mr. Mark D. Waldron

RECEIVED

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Law Offices of
Mark D. Waldron, PLLC

Case Number

Case Name

Trustee Number

Trustee Name

18-03197-FPC11

GIGA WATT INC

DEBTOR

670070

Mr. Mark D. Waldron

TRUSTEE

Questions:

800.634.7734

banking.services@stretto.com

www.stretto.com

Consolidated Balance Summary

| Account | Number | Ending Balance Prior Period | Ending Balance This Period |
|------------------|--------|--------------------------------|-------------------------------|
| Checking Account | | | |
| TRUSTEE CHECKING | 9625 | \$73,197.37 | \$118,312.90 |
| Total | | \$73,197.37 | \$118,312.90 |

Notable Information For You...

Once a check is deposited into your account, you should wait 7 business days to see if it is returned before writing checks against the deposit. Returned deposit items (RDI's) may occur due to non-sufficient funds or stop payments at the payor's bank. If you have a deposit returned, you will be notified immediately by email and sent a notice through regular mail. If you receive an RDI notice, immediately place stops on any checks on that deposit and arrange for a replacement deposit.

Period Covered:
May 01, 2019 - May 31, 2019
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Mr. Mark D. Waldron

Case Number

18-03197-FPC11

Case Name

GIGA WATT INC

Trustee Number

DEBTOR

Trustee Name

Mr. Mark D. Waldron

TRUSTEE

Questions:

800.634.7734

banking.services@stretto.com

www.stretto.com

TRUSTEE CHECKING

Account Number: 9625

Enclosures

| | | |
|----|---------------------|--------------|
| 21 | Beginning Balance | \$73,197.37 |
| | +Total Additions | \$412,630.98 |
| | -Total Subtractions | \$367,515.45 |
| | Ending Balance | \$118,312.90 |

* Indicates a Skip in Check Number(s)
"E" Indicate an Electronic Check

Checks

| Check # | Date | Amount |
|---------|-------|-------------|
| 126 | 05-01 | |
| 129* | 05-07 | \$140.00 |
| 130 | 05-07 | \$100.99 |
| 131 | 05-07 | \$195.00 |
| 132 | 05-08 | \$216.00 |
| 133 | 05-15 | \$129.71 |
| 134 | 05-13 | \$1,660.00 |
| 135 | 05-10 | \$1,660.00 |
| 136 | 05-10 | \$10,000.00 |
| 137 | 05-13 | \$447.15 |
| 138 | 05-13 | \$10,162.50 |
| 139 | 05-13 | \$301.25 |
| 140 | 05-22 | \$4,074.00 |
| 141 | 05-24 | \$997.77 |
| 142 | 05-28 | \$3,394.83 |
| 143 | 05-29 | \$9,073.15 |
| 144 | 05-29 | \$8,405.78 |
| 145 | 05-28 | \$2,020.00 |
| 146 | 05-28 | \$1,847.50 |
| 147 | 05-28 | \$575.00 |
| 148 | 05-29 | \$749.25 |
| | | \$6,530.00 |

Debits

| Date | Description | Subtractions |
|-------|--------------------|--------------|
| 05-01 | WIRE TO MLDC 1 LLC | |
| 05-08 | WIRE TO MLDC 1 LLC | \$44,161.31 |
| 05-14 | WIRE TO MLDC 1 LLC | \$53,079.75 |
| 05-21 | WIRE TO MLDC 1 LLC | \$51,408.30 |
| 05-22 | WIRE TO MLDC 1 LLC | \$36,186.21 |
| 05-29 | WIRE TO MLDC 1 LLC | \$40,000.00 |
| | | \$80,000.00 |

Credits

Period Covered:
 May 01, 2019 - May 31, 2019
 Page 3 of 11

| Date | Description | Additions |
|-------|----------------------------|-------------|
| 05-02 | REMOTE DEPOSIT REF#0100004 | \$9,000.00 |
| 05-02 | WIRE FROM COINME INC | \$68,934.74 |
| 05-09 | WIRE FROM COINME INC | \$66,764.02 |
| 05-16 | WIRE FROM COINME INC | \$82,082.01 |
| 05-23 | WIRE FROM COINME INC | \$86,823.47 |
| 05-30 | WIRE FROM COINME INC | \$99,026.74 |

Daily Balances

| Date | Amount | Date | Amount | Date | Amount |
|-------|--------------|-------|--------------|-------|--------------|
| 05-01 | \$28,896.06 | 05-02 | \$106,830.80 | 05-07 | \$106,318.81 |
| 05-08 | \$53,109.35 | 05-09 | \$119,873.37 | 05-10 | \$109,426.22 |
| 05-13 | \$93,228.47 | 05-14 | \$41,820.17 | 05-15 | \$40,160.17 |
| 05-16 | \$122,242.18 | 05-21 | \$86,055.97 | 05-22 | \$45,058.20 |
| 05-23 | \$131,881.67 | 05-24 | \$128,486.84 | 05-28 | \$116,241.94 |
| 05-29 | \$19,286.16 | 05-30 | \$118,312.90 | | |